REMARKS

Claims 1-12 and 21-24 are pending in this application. Claims 13-20 are canceled herein, and claims 21-24 are new. Applicants respectfully request reconsideration of claims 1-12 and entry and consideration of claims 21-24.

Objections to the Drawings

FIG. 1 is objected to as being inconsistent with the specification. The Examiner suggests that the drawing is inconsistent with the claims in that the claims recite "customer providing a merchant with a customer identifier" however in FIG. 1 an arrow is shown between the customer and the settlement house, not between customer and the merchant.

Applicants submit that FIG. 1 is consistent both with the specification and the claims. First, with respect to the specification, paragraph [0008] notes that communication paths extend between the settlement house 110 and each of the other four entities, such as between the customer 118 and the settlement house 110. These communications paths are shown in FIG. 1. Accordingly, the FIG. 1 is consistent with the specification. With respect to the claims, FIG. 1 does not attempt to capture all of the limitations of claim 1, such as "a customer providing a merchant with a customer identifier," but Applicants note that this limitation is supported by FIG. 3, flow chart element 310. Applicants also point out that the absence from FIG. 1 of certain direct transactions between the four entities does not make that drawing confusing or misleading as those transactions are clearly described in the specification and are shown, for example, in FIG. 3. Accordingly, the limitations of the claims are supported by the drawings taken as a whole, and FIG. 1 is therefore not inconsistent with the claims. Applicants request that the Examiner withdraw the objection to the drawings.

Claim Rejections

Claims 1-7, 10-14, and 16-20 have been rejected under 35 U.S.C. §102(e) as being anticipated by Hultgren (US Pat. No. 6,868,391). Claims 9 and 15 have been rejected under 35 U.S.C. §103(a) as being unpatentable over Hultgren in view of official notice. The rejections of claims 13-20 are now moot in view of their cancellation herein. Applicants note two errors in the listing of claims rejected under 35 U.S.C. §102(e). Specifically, claim 8 is not listed as

rejected under 35 U.S.C. §102(e), yet claim 8 is discussed as having been rejected on page 4. Accordingly, Applicants will consider claim 8 as also being rejected under 35 U.S.C. §102(e). Additionally, claim 12 is listed as rejected under 35 U.S.C. §102(e), yet claim 12 is not specifically addressed. Accordingly, Applicants will consider claim 12 as including allowable subject matter.

Claim 1 recites several limitations that are not taught by Hultgren. To begin with, claim 1 recites "a customer providing a merchant with a customer identifier." Hultgren does not teach a customer providing a merchant with a customer identifier. The Examiner points to item 300 of FIG. 3A as teaching this limitation. Although item 300 reads "obtain customer identifier," item 300 does not illuminate what entity obtains the customer identifier, or what entity provides the customer identifier. To read on this limitation of claim 1, the customer identifier must be provided by a customer and to a merchant. However, with reference to item 300, Hultgren teaches that "[a]t telepay TSN 30, upon initially handling the call customer communications, module 202 obtains a customer identifier (e.g., customer directory number) from the call signaling which sets up the call" (col. 6 lines 22-26). Here, the customer identifier is provided to module 202 which, as illustrated in FIG. 2, is a component of telepay TSN 30. As can be seen from FIG. 1, merchant terminal 70 represents the merchant in the described payment transactions of Hultgren and telepay TSN 30 is "a special function node" (col. 3 lines 39-41) that is connected to the merchant terminal 70 by PSTN 50. Although the customer identifier is provided to the module 202 of telepay TSN 30, Hultgren does not teach or suggest that the customer identifier is ever transmitted to the merchant terminal 70. Accordingly, Hultgren does not teach or suggest that the customer identifier is provided to the merchant, as required by claim 1.

Claim 1 further recites "the merchant sending the customer identifier and a transaction amount to a settlement house." As noted above, the merchant does not receive the customer identifier, so it follows that the merchant cannot send the customer identifier to a settlement house. The Examiner points to item 206 of FIG. 2 with respect to this limitation. Regarding item 206, Hultgren teaches that "the customer communication module 202 sends ... the customer identifier to transfer coordination module 206" (col. 6 lines 53-56) and then "the transfer coordination module 206 sends to the financial institution communication module 208 a signal which includes ... the current customer identifier" (col. 7 lines 2-5). In short, transfer coordination module 206 receives the customer number from customer communication module

202 and passes it to the financial institution communication module 208. In no way does the operation of transfer coordination module 206 read on a merchant sending a customer identifier to a settlement house.

Moreover, claim 1 requires "the customer selecting a payment method and transmitting the selected payment method to the settlement house." Hultgren does not teach this limitation, either. Hultgren teaches instead that a payment method is prearranged. For example, Hultgren provides the following example of the payment method in operation:

> In brief, suppose that the customer wants to pay $100US for a good or service, or for payment of a bill or invoice (such as a utility bill, for example). In accordance with the present invention, the customer merely dials the directory number of the telepay TSN 30 (e.g. a A1-800" directory number) and, in response to prompts generated by telepay TSN 30, enters a merchant identifier and a transaction amount ($100US). The merchant identifier is provided by the merchant (e.g., prominently displayed at the merchant's premises 92A [see FIG. 5A] or shown on the merchant's web page displayed on monitor 64B [see FIG. 5B] or laptop [see FIG. 5C]). The transaction amount is the total cost for the good or service or bill amount. Telepay TSN 30 sends a verification message to at least one, and preferably both, parties to the transaction. In this regard, telepay TSN 30 sends a verification message to the merchant, providing (e.g., on a cash register display) the transaction amount to be credited to the merchant's account and a transaction code. A similar verification message is sent to customer mobile station 60. If in agreement, both the customer and the merchant then send a verification message to telepay TSN 30. **Telepay TSN 30 then arranges for the customer account to be debited**, and the merchant account to be credited, by the transaction amount. (col. 4 line 48 – col. 5 line 4, emphasis added)

Nowhere in the above description does the customer select a payment method before telepay TSN 30 arranges for the customer account to be debited.

The Examiner suggests that the limitation of the customer selecting a payment method and transmitting the selected payment method to the settlement house can be found in item 306 of FIG. 3B, though item 306 is actually found in FIG. 3A. Item 306 says "determine customer financial institution and customer account identifier" but does not indicate whether this is selected by the customer or another entity. The specification, however, makes it clear that in "step 306, telepay TSN 30 determines the customer financial institution address and the customer account identifier" (col. 6 line 66 – col. 7 line 1). Nowhere in the description of item 306 does

Hultgren teach that the customer selects a payment method or transmits a payment method. It should be apparent, moreover, that in item 306 the action of determining the customer financial institution address is not particularly a *selection* of a payment type, but merely a look-up of a stored value from a database. Specifically, "customer search engine 208-3 locates a record in data base 222 having the customer identifier in field 222A, and obtains the customer financial institution address" (col. 7 lines 8-11). Here, although one might construe "determine customer financial institution" from item 306 in FIG. 3A to refer to a selection between alternative financial institutions, a reading of the supporting specification makes it clear that no such choice is made by the customer.

For at least the reasons provided above, claim 1 is not anticipated by Hultgren. Applicants therefore request that the Examiner withdraw the rejections of claim 1, and claim 2-12 depending therefrom, under 35 U.S.C. §102(e).

Applicants additionally note the further novelty of some of the dependent claims. For example, claim 6 requires that the customer identifier is a customer name. The Examiner asserts that this limitation is taught by Hultgren at column 14 line 15. However, in the example discussed at the cited portion of Hultgren, the customer provides the customer's name to a utility company for the purpose of paying a bill (col. 14 lines 15-18). Nowhere does Hultgren teach or suggest that the customer's name is transferred from the utility to the telepay TSN 30 to be used as the customer identifier in a payment transaction.

As another example, claim 11 requires that the payment method is a debit card. The Examiner asserts that this limitation is taught by Hultgren at column 1 line 22. However, this portion of Hultgren refers to prior payment systems, "[m]any consumer-based commercial transactions involve payment using a credit card or bank debit card" (col. 1 lines 21-22) and then notes the trouble with the use of a debit card, "debit cards are of no value if left at home or otherwise unavailable at the time of the transaction." (col. 1 lines 41-42) Nowhere does Hultgren discuss debit cards with reference to the method that is the subject of the patent.

As noted above, the Examiner has not specifically addressed the limitations of claim 12 and Applicants consider claim 12 to therefore be recognized as including allowable subject matter. Applicants note, however, that it has already been shown that Hultgren does not provide for the customer to choose between alternative payment methods, and claim 12 requires that "if

the electronic transaction is not approved by the financial service provider, the customer selecting an alternate payment method." Thus, <u>Hultgren</u> clearly does not teach this limitation.

New Claims

New independent claims 21 and 23 are directed to settlement houses for settling electronic transactions between a customer and a merchant. Each settlement house comprises a computing system configured to perform a series of tasks. In particular, the computing systems of claims 21 and 23 are configured to receive a customer identifier and a transaction amount from the merchant, and to contact the customer to allow the customer to select a payment method. For essentially the reasons provided above, <u>Hultgren</u> does not teach or suggest these limitations and therefore claims 21 and 23, and their dependent claims 22 and 24, are patentable over <u>Hultgren</u>.

CONCLUSION

All pending claims are now allowable and Applicants therefore respectfully request a Notice of Allowance from the Examiner. Should the Examiner have questions, the Applicants' undersigned agent may be reached at the number provided.
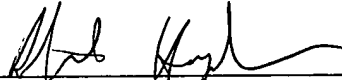
Respectfully submitted,

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